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C O N F I D E N T I A L SECTION 01 OF 03 TEGUCIGALPA 001170

SIPDIS

E.O. 12958: DECL: 11/17/2019

TAGS: [PGOV](#) [KDEM](#) [HQ](#)

SUBJECT: TFH01: LIBERAL PARTY PRESIDENTIAL CANDIDATE ELVIN SANTOS

Classified By: Ambassador Hugo Llorens for reasons 1.4 (b/d)

11. (C) Summary. Liberal Party candidate Elvin Santos held a two-digit lead in the polls before the June 28 coup. Since then, he has been trailing National Party candidate Porfifio "Pepe" Lobo. The coup led to the fracture of the Liberal Party, which has hurt Santos. Santos, who served as Vice President under President Jose Manuel "Mel" Zelaya, did not get along with Zelaya. He has not come out against Zelaya's removal from office nor given his support to the de facto regime, afraid to antagonize either pro- or anti-coup supporters in his party. Santos' perceived indecisiveness has hurt his cause. Santos' platform is focused on the creation of jobs to improve Hondurans' standard of living. Santos is young and charismatic and his campaign has worked hard to attract the approximately 500,000 youth who are eligible to vote for the first time in this election. It remains to be seen whether the pro-Zelaya members of the Liberal Party will return to the fold and decide that a vote for Santos is better than letting the National Party get back into power. Santos studied at the American School in Tegucigalpa, and obtained an engineering degree from Lamar University in Texas. He is strongly pro-U.S. and maintains very close ties with the Ambassador. If he wins he will seek to reestablish strong ties with the U.S. End Summary.

12. (C) The presidential candidate for the Liberal Party, one of the country's two major parties along with the National Party, is Elvin Santos. Santos, who was leading in the polls before the June 28 coup d'etat, has since lagged behind National Party candidate Porfirio "Pepe" Lobo. Santos, whose Liberal Party is the party of President Jose Manuel "Mel" Zelaya and de facto regime leader Roberto Micheletti, was the politician most negatively affected by the coup, with his party splintering apart.

The Candidate

13. (C) Elvin Ernesto Santos, known to the public as "Elvin" in keeping with the Honduran practice of referring to politicians by their first names, was chosen as the Liberal Party's presidential candidate at an April 2009 party convention. Santos served as Vice President of Honduras under President Zelaya from January 27, 2006 until December 18, 2008 when he voluntarily resigned in order to run for president after winning a decisive victory over Micheletti in the November 2008 primary elections. Some have alleged that Santos was appointed Vice President due to the political connections of his father (a construction magnate) who was also a Liberal Party leader and served as mayor of

Tegucigalpa. Many believe Zelaya tapped Santos to appease the private sector. However, Zelaya and Santos did not enjoy a good relationship during his tenure as Vice President, and there is strong animosity between the two.

¶4. (C) Santos regularly looks to the Ambassador for guidance and they are in touch frequently (on a weekly basis). Santos is bright, energetic, articulate, and charismatic. He is known to be impatient and some say he is bad tempered.

The Platform

¶5. (SBU) Santos has called for increased employment, especially for youth, but says jobs are to be created by a dynamic economy that is not dependent on the government. In a somewhat contradictory statement, Santos has promised to create jobs through national infrastructure projects including construction of roads, hydroelectric dams, and agricultural irrigation projects. He has also promised to boost tourism, create export markets for new products, make Honduras self-sufficient in food production, and encourage domestic consumption of Honduran products. Santos has pledged to tackle the country's high crime rate by strengthening intelligence gathering by the police and setting up cameras in public places such as markets and parks. He has said his government will cooperate with those of neighboring countries in order to control narcotrafficking. He has also called for setting up of a "911" channel that will include agencies responsible for public safety such as firemen, the police, and the Red Cross

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in order to ensure efficiency of response. Santos wants to decentralize government by turning over the running of schools and health centers to municipal authorities and has promised to turn over half of the national budget to mayoralties for them to carry out social programs and fight crime. He wants to make education compulsory until the ninth grade and bilingual so that English becomes the second language of Honduras and plans to launch a literacy campaign. Santos will also enact a national plan to combat child labor. Santos will reform the health system, including computerization of supplies of medicine. He has called for establishment of libraries and cultural centers in all towns.

The Advisors

¶6. (C) Santos' key advisors are: 1) Bill O'Neil Santos, who is his cousin, a businessman, and secretary of the Liberal Party; 2) Eliseo Castro Pavon, a businessman who currently serves as a councilman for the city of Tegucigalpa and who is running for Mayor of Tegucigalpa; 3) Marlon Lara, Santos' campaign coordinator, who is a businessman and pharmacist who got high points for his work as Mayor of Puerto Cortes and who served as the director of the Honduran Fund for Social Investment under President Zelaya; 4) Carlos Mariano Martinez, who is Santos' media advisor, and is one of the Liberal Party's leading figures, having served in the administrations of both President Carlos Flores (1998-2002) and Carlos Roberto Reina (1994-1998); 5) Carlos Funez, who is a long-time Santos advisor and is currently responsible for security issues; and 6) Gabriela Nunez de Reyes, who is serving as finance minister for the de facto regime. In addition, former President Carlos Flores serves as Santos' mentor. Flores would have a strong influence in a Santos administration.

¶7. (U) Santos' vice presidential running mates are: 1) Ana Cristina de Handal, a businesswoman who has served as President of the Tegucigalpa Chamber of Commerce; 2) Jose Manuel Arriaga Yacaman, who served as manager of the Port Authority under President Zelaya, and as manager of the state

power agency (ENEE); 3) Margarita Zelaya de Elvir, a psychologist who has been involved in politics for many years.

¶8. (C) Santos is very pro-American and will seek to restore strong ties with the U.S. Many expect him to withdraw from the ALBA if he becomes President.

Bio Notes

¶9. (SBU) Santos was born in Tegucigalpa on January 18, 1963. He grew up in Olanchito and La Ceiba, his parents' birthplaces. In 1990, Santos married Becky Manzanares, a former Miss Honduras from a family that traditionally strongly supported the National political party. They have four children together. Santos graduated from the American High School in Tegucigalpa. He obtained a B.S. degree in civil engineering from Lamar University in Beaumont, Texas and also served as Honduran consul in Austin, Texas. Santos speaks English fluently.

10.(U) Santos began his political career at the age of 18 as a member of the Youth Wing of the Liberal Party and as coordinator of the Support Group for the campaign of Roberto Suazo Cordova, who served as President of Honduras 1982-1986. Santos worked in the campaigns of both Carlos Flores, who served as President of Honduras 1998-2002, and Mel Zelaya.

¶11. (U) Santos was the CEO of the construction company owned by his family, Santos and Company, which employs approximately 1,200 people. The company has various government contracts with the Ministry of Public Works for the maintenance of public infrastructure and construction of the ring road in the capital city of Tegucigalpa. These business dealings have led to accusations of conflict of interest.

¶12. (C) Santos served as President of the Honduran Chamber of Construction Industries. He was a member of the American Society of Civil Engineers and the National Business Council

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of Honduras (COHEP), and Vice President for the Construction Sector in the National Association of Industrialists. He served on the board of the American School in Tegucigalpa from 1995 to 1999 (where he served with the Ambassador 1995-1996 who was Economic Counselor at the time).

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